

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 EB-08 FRB-01 INR-10

NSAE-00 ICA-20 TRSE-00 XMB-04 OPIC-06 SP-02

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FM AMEMBASSY DAMASCUS

TO USDOC WASHDC

INFO SECSTATE WASHDC 7523

AMEMBASSY CAIRO

UNCLAS DAMASCUS 1935

C O R R E C T E D C O P Y (TEXT CORRECTED)

E.O. 11652: NA

TAGS: BEXP, ETRD

SUBJECT: TRADE COMPLAINT SMEENCO VS. ALCO

1. MR. JOSEPH SMEEN, PRESIDENT OF SMEENCO, FOOD SERVICE AND HOTEL EQUIPMENT. P.O.BOX 2936, DAMASCUS, SYRIA CABLE: (HOT-SUPPLIER) HAS ASKED EMBASSY INTERCESSION IN ATTEMPT TO FIND AN AMICABLE SOLUTION TO TRADE COMPLAINT HE HAS BROUGHT AGAINST ALCO FOOD SERVICE EQUIPMENT COMPANY (213 HANNA BUILDING, CLEVELAND, OHIO) (INTERNATIONAL DIVISION). MR. SMEEN HAS BROUGHT REGISTRATION DOCUMENTS, NOTARIZED COPIES OF CONTRACTS AND OTHER PAPERS PRESENTING A PRIMA FACIE CASE THAT HE IS THE EXCLUSIVE AGENT AND DISTRIBUTOR OF ALCO PRODUCTS IN SYRIA. MR. SMEEN HAS ALSO BROUGHT A LETTER FROM MR. WILLIAM ARTSZ, THE ALCO REPRESENTATIVE IN ATHENS FOR THE MIDDLE EAST IMPLYING THAT SMEENCO HAS THE RIGHT TO SELL ALCO PRODUCTS IN ANY COUNTRY IN THE MIDDLE EAST.

2. SMEENCO'S COMPLAINT CAN BE SUMMARIZED AS FOLLOWS: SMEENCO ARRANGED TO SELL A BROASTER OVEN TO THE CHANNEL HOTEL IN CAIRO (SMEENCO HAS SOLD SEVERAL OF THESE OVENS IN UNCLASSIFIED

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DAMASCUS). HOWEVER, WHEN SMEENCO ORDERED A BROASTER UNIT FROM ALCO FOOD SERVICE EQUIPMENT IN CLEVELAND, OHIO, (WITH A LETTER OF CREDIT ESTABLISHED BY THE CHANNEL HOTEL IN CAIRO) HE RECEIVED IN RESPONSE A LETTER FROM A. TORRES EXPORT INCORPORATED 6262, NORTH LINCOLN AVENUE, CHICAGO, ILLINOIS 60659 T. (312)539.3663, INFORMING THEM THAT TORRES EXPORT IS THAT EXCLUSIVE EXPORT DEPARTMENT FOR THE

BROASTER COMPANY OF ROCKTON ILLINOIS AND THAT ALCO HAD NO RIGHT TO OFFER TO SELL BROASTER EQUIPMENT OUTSIDE THE UNITED STATES THROUGH ANY CHANNEL OTHER THAN THROUGH TORRES EXPORT. AS A CONSEQUENCE, SMEENCO IS NOW BEING USED BY THE CHANNEL HOTEL IN CAIRO FOR US DOLLARS 15325 FOR FAILURE TO COMPLETE THE CONTRACT. SMEENCO DEMANDS THAT ALCO COMPANY SATISFY THE CHANNEL HOTEL IN CAIRO IN FULL OR HE WILL SUE FOR DAMAGES RESULTING FROM ALCO'S FAILURE TO PERFORM THE CONTRACT. SMEENCO HAS A SECOND COMPLAINT AGAINST ALCO FOOD SERVICE RESULTING FROM ALCO'S FAILURE TO PROVIDE DOCUMENTATION PROPERLY FOR A COMMERCIAL DISHWASHER THAT WAS DAMAGED DURING UNLOADING. THE TOTAL SMEENCO COSTS WITH REGARD TO DISHWASHER ARE 6266 DOLLARS. IN ADDITION, ALCO, ACCORDING TO SMEENCO, HAS IGNORED NINE LETTERS FROM SEPTEMBER 1976 REQUESTING SPARE PARTS FOR THE DISHWASHER.

3. SMEENCO DOES NOT WISH TO TERMINATE ITS BUSINESS RELATIONSHIP WITH ALCO. MR. SMEEN BELIEVE THE BROASTER UNIT TO BE A POPULAR AND PROFITABLE ITEM FOR SALE IN SYRIA. HE SEEKS THE INTERVENTION OF THE US EMBASSY AND THE DEPARTMENT OF COMMERCE FOR AN AMICABLE SOLUTION TO THIS ISSUE. HE STATED HE HAS AN EXCLUSIVE DISTRIBUTION CONTRACT WITH ALCO AND HAS ACTED IN GOOD FAITH FOR TWO YEARS. HIS MINIMUM TERMS ARE: PAYMENT BY ALCO OF DOLLARS 21591 FOR THE DAMAGES DESCRIBED ABOVE, AND CONTINUATION OF HIS CONTRACT AS EXCLUSIVE SALES AGENT FOR ALCO IN SYRIA.  
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FAILING THAT, HE WILL BRING LEGAL ACTION AGAINST ALCO IN THE UNITED STATES FOR BREACH OF CONTRACT AND SEEK ADDITIONAL DAMAGES FOR HIS BUSINESS REPUTATION IN SYRIA AND THE MIDDLE EAST. HE HAS ALREADY OBTAINED A COURT ORDER FORBIDDING THE IMPORTATION OF ANY ALCO PRODUCTS TO SYRIA UNLESS IMPORTED THROUGH HIS AGENCY.

4. WITHOUT PREJUDGING THE CASE MR. SMEEN APPEARS TO BE CAUGHT IN A JURISDICTIONAL DISPUTE BETWEEN TWO US COMPANIES, ALCO AND TORRES EXPORT, AS TO WHO CAN EXPORT. THE DOCUMENTS PRESENTED TO THIS EMBASSY INDICATE HE IS THE EXCLUSIVE AGENT FOR ALL ALCO PRODUCTS (SPECIFICALLY INCLUDING BROASTER) IN SYRIA. SMEENCO IS A MEDIUM SIZE FIRM ENJOYING A GOOD BUSINESS REPUTATION LOCALLY.

5. USDOC ASSISTANCE IN RESOLVING THIS ISSUE BEFORE IT GETS TO THE COURTS WOULD BE APPRECIATED.  
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## Message Attributes

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